GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1138
ANSWERED ON:24.10.2008
NATIONAL POLICY ON SUBSIDIES
Maheshwari Smt. Kiran

Will the Minister of FINANCE be pleased to state:

(a) the sector-wise details of subsidy provided during each of the last three years ;

(b) the steps taken by the Government to target subsidy on fertilizers,petroleum products and foodgrains towards the really needy;

(c) whether the Union Government proposes to chalk out a national policy on subsidies;and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a)The sector-wise details of subsidy provided during each of the last three years is given below: <>
(Rs.crore)

	2005-06	2006-07	2007-08 (R.E)
A Major Subsidies	44480	53495	65689
1 Food subsidy	23077	24014	31546
2 Indigenous (Urea) fertilisers	10653	12650	12900
3 Imported (Urea) fertilisers	1211	3274	6754
4 Sale of decontrolled fertilizers with concession to farmers	6596	10298	10847
5 Petroleum subsidy	2683	2699	2882

6 Grants to NAFED for MIS/PPS	260	560	760
B Others Subsidies	3042	3630	4053
7 Interest subsidies	2177	2809	2658
8 Others Subsidies	865	821	1395
Total-Subsidies	47522	57125	69742

Source : Expenditure Budget, Volume I, (2008-09).

(b) to (d) The National Common Minimum Programme (NCMP) mandates the Government to target all subsidies to the poor and truly needy sections of the society.While the subsidies on food and kerosene are largely designed to be targeted to people Below the Poverty Line (BPL),the subsidies on fertilizers and LPG are available to all users/consumers.Based on various evaluation studies and feedback received from states,a nine point action plan has been jointly formulated by the Central and the State/UT governments to strengthen the Targeted Public Distribution System (TPDS).These include regular reviews of the BPL and Antyodaya Anna Yojana (AAY) lists to ensure coverage of eligible families,involvement of Panchayati Raj Institutions in the public distribution system (PDS) operations,use of information technology,creating awareness among public about PDS operations,etc.Government has endeavoured to target subsidies towards the poor and truly needy and requisite policy measures are taken from time to time in this regard.